

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7539

BILL NUMBER: HB 1370

NOTE PREPARED: Jan 10, 2011

BILL AMENDED:

SUBJECT: Compensation of Township Board Members.

FIRST AUTHOR: Rep. Soliday

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill provides that after December 31, 2011, the total compensation and benefits paid to a township board member may not exceed \$7,000 per year.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Summary:* The bill could result in cost-savings for certain townships where township board members are paid more than \$5,000 annually beginning 2012.

Background: With 2009 expenditure data available from 563 townships, the median salary for a township board member is \$550, ranging from \$100 to \$15,750. There are 8 townships where the board member salary exceeds \$7,000. However, the compensation calculation for salary under the bill includes use of a township vehicle, mileage or vehicle allowance, health, vision, and dental insurance, and any other amount paid to or paid to benefit a township board member as a public official. There are no data available to indicate how many more townships may be affected by the bill with these inclusions.

Any township board with member compensation above the proposed limit would have to vote to reduce the annual compensation of their members.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Township boards with board member compensation exceeding \$7,000 annually.

Information Sources: 2009 Township Annual Reports available at in.gov/itp.

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